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ABSTRACT

Although most people approach asking for donations with a high level of anxiety, $129.9 billion dollars were donated by individuals, bequests, corporations, and foundations in 1994. While corporation and foundation gifts are usually in cash, individual gifts may take the form of money, securities and real estate, art works, life insurance, or gifts in wills. Moreover, while corporations usually give to community colleges because they see them as a resource for training employees, individual motives range from religious beliefs, guilt, a desire for recognition, self-preservation, tax rewards, obligation, and pressure. Six basic steps for a successful fundraising include the following: (1) preparation, including obtaining adequate approval for fundraising and compiling information on one's own institution and project; (2) identification of such possible sources of funding as personal friends, financial advisors, corporations and foundations, business and industry clients, advisory committee members, special event audiences, staff, faculty, students, and past donors; (3) research on prospective donors to determine their ability to give; (4) cultivation of donors by involving them in campus or project activities; (5) solicitation, making sure to thank the prospect, actively involve them in the cultivation and solicitation process, determine their knowledge of the college or program, invite them to become a partner, and indicate how to achieve that; and (6) appreciation of the person and their time. (A 21-item bibliography is appended.) (BCY)

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Making Money: The Art of the Ask

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"MAKING MONEY: THE ART OF THE ASK"

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Adapted from a presentation to the
National Institute For Staff And Organizational Development
(NISOD)
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This discussion is going to teach you something important: how to ask for money to support a program, project or organization and how to feel comfortable doing it.

OBJECTIVES:

The objectives of this discussion are to help you learn:

- How much money is given in charitable contributions and who receives these funds
- How and why contributions are made
- Six fundamentals for implementing fund-raising strategies
- Perfecting "The art of the ask"
- When "no" is not a negative
- Resources to assist you in asking for money

AMOUNTS GIVEN AND WHO RECEIVES:

For most people, asking for a donation ranks high on the anxiety scale -- right up there with getting divorced, going to the dentist, or receiving a pink slip. But, in spite of this fear, people asked for and received 129.9 billion dollars in 1994 from individuals, bequests, corporations and foundations, up from the 28.6 billion dollars

received in 1975 (The Chronicle of Philanthropy, June 1, 1995). In other words, in less than 20 years, charitable contributions had increased five times.

Winston Churchill said, "We make a living by what we get, but we make a life by what we give." Americans must believe this, for Americans are the most generous people on earth. In 1994, for example, Americans gave over 356 million dollars a day to charities. Of the 129.9 billion dollars contributed in 1994, 88% was donated by individuals and bequests and 12% was given by corporations and foundations (Chronicle of Philanthropy, June 1, 1995).

Who receives all this money which is donated? Of the major targets of American philanthropy, religion always leads the dollar totals by a large margin, followed by education, and health and hospitals. Social services, arts, and humanities, civic and community activities and others (a mix of organizations involved in foreign aid, relief, technical and educational assistance, and foundation endowment) follow in that order (The Chronicle of Philanthropy, June 1, 1995).

Now ... can you ask for some of these -- as Carl Sagan would say -- "billions and billions" of dollars? And ask we must, for, as we all know, governmental funds for education have been slashed at all levels. As traditional funding becomes less available, we as educators must creatively access new sources of support for our programs and projects. In fact, the economic climate currently facing most community

colleges makes successful resource development a "must" instead of the "nice to have."

Money does not simply flow in; it must be asked for. Money is not simply offered; it must be gone after. However, many people believe that the really difficult part in big gift fund raising is not in getting people to give money, but in getting people to ask. But many people are uncomfortable in asking for money. And perhaps you are one of them.

However -- if you don't ask, you don't get!

HOW AND WHY CONTRIBUTIONS ARE MADE

The "how" of corporate and foundations giving can be quickly covered. Corporations give in cash, services and materials -- but mostly in cash. A Foundation, defined by Dwight McDonald (Cuninggim in Schneiter, p. 105.) as "...a large body of money completely surrounded by people who want some," gives money almost exclusively in cash grants. In contrast to corporations and foundations, individual giving may take many different forms, including gifts while the donor is alive and planned giving through a person's will. Individual gifts may take the form of:

Gifts of money

Appreciated securities and real estate

Appreciated art works and other personal property

Life insurance

Life income agreements (planned gifts)

Gifts by will

REASONS FOR GIVING:

There are several reasons why corporations give to community colleges. According to Brumbach and Bumphus (AACC Journal), corporations see community colleges as:

- An integral part of the community
- Providing training programs for current employees
- Supplying new employees to the company
- Serving employees' children

But why do individuals give? Schneiter's book The Art of Asking: How to Solicit Philanthropic Gifts (1985), states people share their money with others for seven basic reasons. These include:

- **Religious beliefs.** "The teachings of their religion direct them to do so, and because they seek the spiritual and temporal rewards promised to the obedient."
- **Guilt.** According to sociologists, there are mass guilt complexes in the U.S., brought about by such diversities as inherited wealth and public exposure to tragedies through TV.
- **Recognition.** " Humans long for immortality." Think of names immortalized by the Carnegie Museum, Wrigley Field, Pulitzer Prize, and Nobel Prize. Probably fewer than 10 out of 100 donors give anonymously.
- **Self-Preservation and Fear.** Some people give to

charity in an effort to save themselves from hell and/or disease. Think of the slogan "Conquer Cancer with a Check-up and a Check."

- **Tax rewards.** Many Americans believe that philanthropic giving is motivated above all else by tax considerations. According to a University of Michigan survey, only at the $100,000 plus level do more than 50 percent of donors cite taxes as a major factor.
- **Obligation.** People feel obligated to help those in need and repay what has been given by an organization or institution. "I'm alive today because of Jackson Memorial Hospital and its doctors and nurses."
- **Pressure.** This is not meant in the negative sense. "In the final analysis, the fund raiser must confront the prospect and ask for a contribution, and this act -- in and of itself -- constitutes pressure."

There are other reasons why people give. They include:

- Belief in the institution you are representing
- Belief the needs you are presenting are important
- Out of friendship and respect for those who do the asking

In other words, most people give because of <u>WIIFM</u> !! WIIFM stands for "What's In It For Me" and this is what the

donor is thinking, either consciously or unconsciously, before that check is written. It is also something YOU need to understand about the donor before you ask him or her for funds.

SIX FUNDAMENTALS FOR IMPLEMENTING FUND-RAISING STRATEGIES

Clements and Associates have identified the six basic steps for the successful fund raising visit. They include:

Preparation

- Identification
- Research
- Cultivation
- Solicitation
- Appreciation

Let's look each of these:

Step One: PREPARATION -- Collect facts about your project.

Fund raising is a lot like house painting! Most of the work and some of the greatest challenges are in preparing to do the job, rather than in the task itself.

But before you get excited about asking people for money for your project, please **STOP**. **STOP** and ask yourself: Who else needs to know about my plan to get into the community to ask for money? Do I need to discuss my ideas with my chair, dean, development officer, or president?

Once you have the approval to raise funds from the community from the campus officers, your job during preparation is to make your need so compelling that the

prospective donor will instantly write you that check. To have this happen, you'll need to do some homework and obtain answers any question you can think of about your institution and project. If you feel the prospective donors do not know your community college well, you may need to collect statistics about your college and formulate a student profile.

Besides information about your institution, you need to collect specific questions about your project such as: What are the achievements of my program? What are its long-range goals? What special need is it fulfilling? And for whom? Why should anyone make an investment in it? You'll need this information so that you'll be able to explain to the prospective donor:

- Exactly why you seek funding
- Why your project is compelling
- Who will benefit, and
- Why the money is needed now

Your purpose is to describe your project to demonstrate that it fulfills someone's need. Do not describe your institution's problems or plight. Talk about people. Usually, remember: People give money to people for people.

Now that you've considered who else in the college needs to know about your plans, and you've seriously appraised your project, and can make a compelling case for someone to give, your next step is --

Step Two: IDENTIFICATION -- Identify Sources of Funding.

While "location, location, location" are the three most important words in real estate, "research, research, research" are the three most important words in identifying potential sources of funding. You must not only research information about your institution and project, but you need to identify possible sources of funding for your idea.

In addition to alumni, there are **many** possible sources of funding that I'll bet you haven't thought about. They include:

- Personal friends and/or their contacts
- Individuals who make suggestions to clients about the use of their money: such as accountants, lawyers, bank officers, insurance agents, trade union representatives
- Community Organizations
- Corporations
- Foundations
- Civic Organizations
- Professional organizations & associations affiliated with your campus
- Vendors from whom the campus makes purchases
- Business & industry clients
- Advisory committee members
- Special event audiences
- Administration and Classified Staff
- Faculty

- Students
- Past donors (ask them for prospective donors)

But where do you find these contacts? Fortunately, there are many sources for these, too. We have listed some of these, and they are included in your bibliography. The library has more resources. Contact sources include:

- The Internet. Conduct a "veronica" search under "foundations"
- The Foundation Directory -- the country's largest foundations are listed here
- Corporate 500 Directory of Corporate Philanthropy
- The Directory of Corporate Philanthropy
- National Directory of Corporate Public Affairs
- The Complete Guide to Florida Foundations or Education (there are individual directories for each state)
- The National Guide to Foundation Funding in Health
- Donors Forum. (Some metropolitan areas have a resource called Donors Forum). Available from Chamber of Commerce or from local Community Foundation.
- Chronicle of Philanthropy (biweekly)
- Grants and Contracts Weekly
- Federal Assistance Monitor
- Local newspaper articles
- College records

- Donors to other charitable organizations
- Membership rosters
- Telephone directory (yellow pages)
- "Nyquist Report" on funding for community colleges
- The New York and Washington, D.C. based "Foundation Center"
- Standard and Poor's Register of Corporation Directors and Executives

Step Three: RESEARCH -- Prospect Evaluation

Once you have a list of possible sources of funding, your next task is to evaluate the prospective donor and determine eligibility for giving. This is called "prospecting." You'll want to know:

- How much can this individual give?

Clues: Profession/occupation
Memberships
Hobbies
Possessions

- Which aspect of our program is likely to interest him the most?

Clues: Source of wealth, interest in a specific field
Special problems
Need for recognition
Community activities
Past giving patterns

- In what form is she or he most likely to make the gift?

Clues: Nature of holdings

Income requirements

Tax situation

In other words, carefully consider each of the possible sources of money. Has this corporation, foundation, or individual given to a cause like yours in the past? What do you think would motivate them to donate to <u>your</u> cause?

Also, while you are doing your research, remember it is important to keep records of your contacts. Maintain a file card on all your prospects you ask. The card should list the date they were asked, amount requested, and the prospect's date of response if significant time elapsed after the "ask". Without such a card, you have no guide for follow-up.

And remember, all this research takes time and work. In fact, it is estimated 2/3 of your time is research time. Raising money is hard work.

Step Four -- CULTIVATION.

Once you have identified a possible donor, your next step is to cultivate the donor. Your purpose is to raise the potential donor's level of interest and provide her or him with the opportunity to become involved in the project. Specifically, listen for cues that the prospect is willing to give more than you expected, or that he or she is particularly passionate about another program.

In the case of donors who will potentially give to your project, it is important to personally solicit them. There are several ways to do this informally before you actually ask an individual to make a contribution. You could invite the donor to:

- Tour the campus
- Serve on an advisory board
- Share breakfast or lunch with you

You could also give written information about the program to the prospective donor.

Step Five -- SOLICITATION.

Finally you're here. The big moment! After you have collected facts about your project, identified sources of funding, evaluated prospects, and cultivated your donor, you are now ready to ask for the gift.

There are six steps to use when you ask someone for money. This <u>is</u> the art of the ask; if you master these six steps you'll be able to ask for anything. These six steps are adapted a publication of the National Fund-Raising Library, National Society of Fund Raising Executives.

But first -- two important tips. Some of us might want to telephone to ask for a potential donation. But studies have shown that, for every $12 pledged over the phone, a prospect will give $50 via face-to-face meeting. Also, remember to prepare an agenda for your visit. This is something that you will leave with the prospective donor, as the agenda is

not only the planned discussion but also the wish list of needs for your project or program.

The six steps of the Art of the Ask:

1. **THANK YOUR PROSPECT. BE APPRECIATIVE.**

   Thank your prospect for his/her time and past support.

   - Always start your call by saying thank you! First, thank them for their valuable time and then, if appropriate, indicate you're aware of when and why their previous gift was made to the college.
   - Indicate you know your prospect's time is valuable. Set out the time parameters. This accomplishes two things: it encourages the prospect to pay full attention to you because the time commitment is limited and it forces you to move through the necessary steps in asking for the gift.

     For example, "Mr. Simmons, I know you're busy and I appreciate your willingness to see me. I'll need fifteen minutes of your time and promise to be gone promptly at 1:15 pm."

2. **MAKE YOUR PROSPECT AN ACTIVE PARTNER IN THE CULTIVATION AND SOLICITATION PROCESS BY INVOLVING THEM.**

   - There's a reason the prospect was willing to see you. Find out what it is. If this is a past donor, you should find out why they gave what they did. If this is a new friend, why are they interested? Does a family member attend your

college? Does the family have a particular concern related to your mission?

- Master the art of listening. Good listening is the basis of any real communication and is one of the highest compliments one individual can pay another. In order to find the basis for interest, you must hear what your prospect is saying.
- Tips To Improve Your Listening:
  - Think like your prospects and donors. If they use big words, you use big words. Always keep their viewpoint in mind.
  - Limit your own talking. Practice silence.
  - Concentrate and focus. Focus on visual cues and body language.
  - Be an active listener. Lean in toward the speaker, smile, use eye contact, take notes.
  - Accept controversy. This may not be easy to do. Do not jump to conclusions. Keep your own emotions under control. Don't be defensive. Don't be thinking of snappy answers while the speaker is talking.
  - Repeat and summarize. Restate the information and ask for clarification.

3. **ASK WHAT THEY KNOW ABOUT YOUR COMMUNITY COLLEGE AND ADD TO THEIR KNOWLEDGE AND BUILD ON WHAT YOU HEARD.**

Add to the prospect's knowledge by linking your

comments to what he or she has said. Acknowledge a key point in an earlier response and provide a specific example of something happening in your college that is relevant.

- This accomplishes two things:
  - It tells your prospect you heard what they said and listened actively.
  - It gives you a chance to "dangle" a first gift project idea.

4. **INVITE THEM TO BE A PARTNER. BE POSITIVE IN ASKING THE PROSPECT TO MAKE A GIFT.**

- Now's the time to ask, not just for money, but for goods, services, and involvement. And when you ask for the gift, a good line to use is "Could you consider a gift of -- say -- new equipment for the science lab?" It's pretty hard for people to say "no" when they have only been asked to consider something. In fact, if you could only remember one helpful hint from this presentation, remember this good line "would you consider a donation of...?"
- Now after you've asked -- stop and listen! Some experts recommend not speaking for 15 seconds after you've asked for the gift. Talking after the ask takes the pressure off the prospect. The best solicitors are the best listeners. Stop and listen!

5. **SHOW THEM HOW TO MAKE IT HAPPEN. ONCE YOU'VE AGREED ON AN AREA OF INTEREST, HELP YOUR PROSPECT TO MAKE A MEANINGFUL GIFT.**

We all know it takes money to make a difference. Let your prospect know the full cost of the project. If the project eventually costs less, they'll feel they are getting a bargain. But always ask if they can consider funding the entire amount.

- Let the prospect respond to the amount you've asked for. They know what they can give. Of course, you can help -- maybe the gift would be more do-able broken into quarterly installments or even monthly payments.
- You may not wind up with the full amount you asked for. In spite of your conscientious research and attractive presentation, you may not get what you hoped to receive. You may come out of the discussion with something totally different from what you expected. Don't take this personally. There may be an individual situation you are unaware of. Your prospect might have a hidden agenda.
  - If the prospect responds with a lower figure, encourage him/her to consider helping you find a co-sponsor: recruit your donor as a fund raising volunteer!

Step SIX. CLOSE AS YOU BEGAN -- BY SAYING THANK YOU. This is the sixth step in the Art of the Ask and also the sixth fundamental in implementing fund-raising strategies.

Don't overstay your welcome. But do send a thank you letter which may include any points which you have discussed. Early in the planning process, you'll want to consider how your donors will be thanked. Perhaps a note? A recognition certificate? A space on the college's recognition wall? A building named in their honor? Remember WIIFM (What's in it for me)! Your donors, almost without exception, expect, and want, thanks. And they deserve recognition for their gift within 48 hours of receipt. While gifts of all sizes are gratefully received, your college might provide special recognition from the campus president for major gifts.

The relationship with the donor continues through written communications about the project and your campus, as well as through invitations to serve on advisory committees and to participate or attend college activities. That donor might like an opportunity to give in the future. In fact, these two words, "thank you", are the culminating factor after the donation has been received, and the beginning of the process for the next request.

WHEN NO IS NOT A NEGATIVE

Of course, after the "popping the question" visit, you hope for a "yes" and that check. But suppose the answer is a

"no?" The good news is that "no" does not mean "no!". In fact, there is a misunderstanding to what a "no" answer really means. "What Part of No Don't You Understand?" (George) describes some meanings of no --

- No = I'm not ready to commit
- No = what you have to say doesn't really excite me
- No = I don't understand what you want
- No = Why is it really vital for me to give this much of my time or money now and to this particular cause
- No = I'm wondering what's in it for me (remember WIIFM?)
- No = You don't have the clout to ask me for that
- No = I'm not used to this
- No = When I give, I give on my terms
- No = You have not heard me
- No = Are you asking for a check right now?

A "no" can become a maybe -- or even a yes -- if we persuasively articulate the advantages in our services and are persistent. A "no" response provides you with a great opportunity! Don't let yourself be deceived by first refusals. As hard as it may be, go back and try again. The more you ask a given prospect, the more your chances of success. Our motto should not be "Just do it" but "Ask it, listen, then ask again."

This discussion has focused on how you can get individuals, corporations, and foundations to give dollars to you for a project you would like to initiate. We've talked about who receives, who gives, and how and why people give. We've discussed the six steps to successful fundraising: preparation, identification, research, cultivation and solicitation of possible givers, and showing appreciation. The crucial steps in the art of the ask were discussed. Also remember: A "no" does not mean "no." Almost all things are possible!

Now, would you consider, asking someone for money?

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